

PARKING IOI

A Citizens' Guide to
the Mysteries of the
Parking Universe



PARKING
OF BALTIMORE CITY
AUTHORITY
2014 ANNUAL REPORT



The print version of the Parking Authority of Baltimore City 2014 Annual Report contains folding end flaps as indicated above. We've included the flaps in this PDF in order to maintain the flow of content and explain the mission-driven work of the Parking Authority.

For a printed version of this document email
ParkingAuthority@bcparking.com

TABLE OF CONTENTS

- I Message from Chair, Board of Directors
- 2 Message from the Mayor
- 3 Parking 101
- 4 Short-Term Parking Management Tools
- 5 Long-Term Parking Management Tools
- 6 Residential Parking Management Tools
- 7 Parking Demand Management Tools
- 8 Parking Enforcement
- 9 ProjectSPACE
- II Financial Statements



Most of us drive.

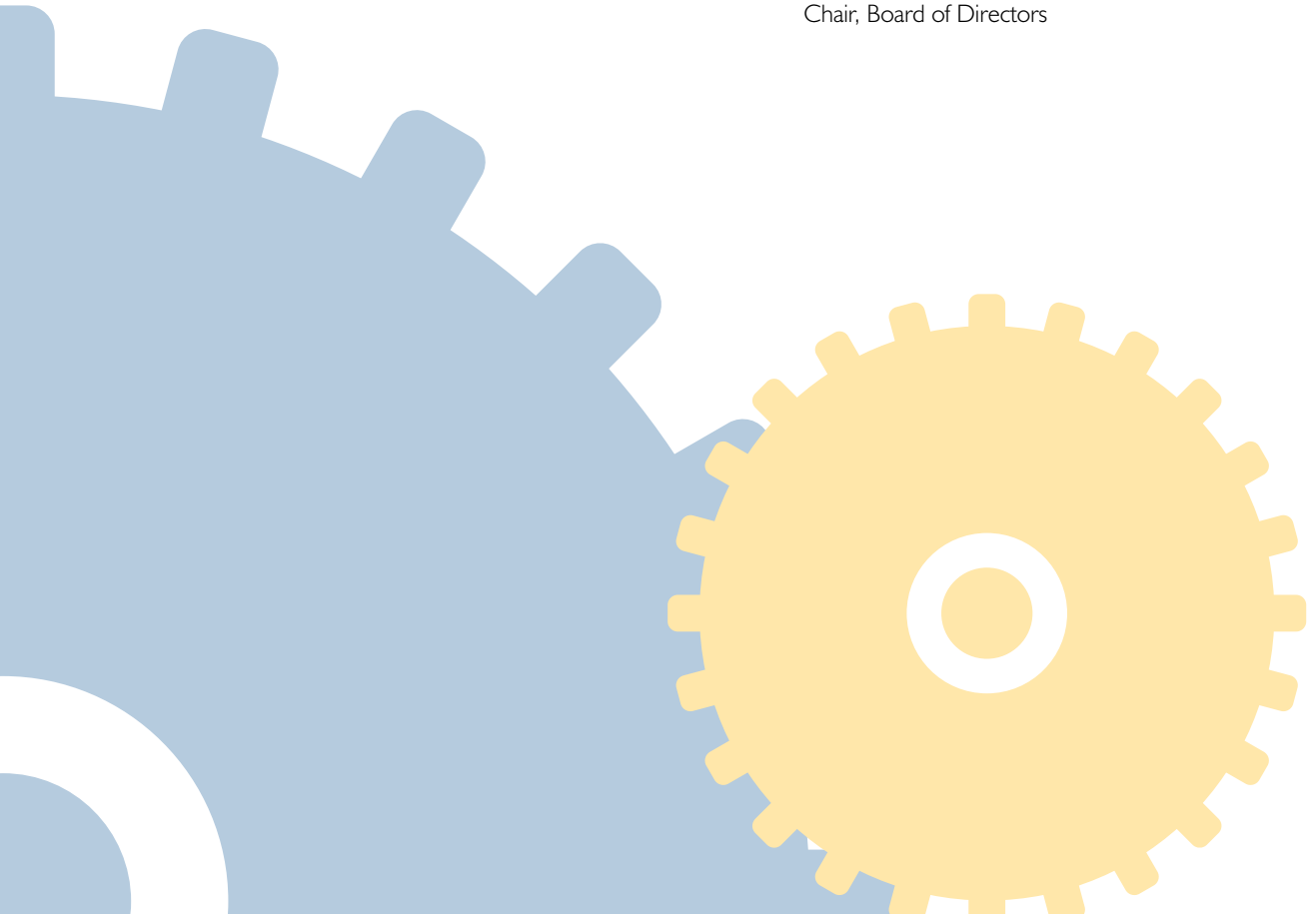
At the end of every trip comes a question we must answer – where should I park? The answer usually comes quickly and without much thought. You may not think about parking much, but we do.

It's our job to make those choices ones that make good sense from a parking perspective. You're holding a parking primer that explains our goals, why we do what we do, and how it all works together. We hope it sheds some light on the subject of parking and maybe drives you to think (and park) a little differently.



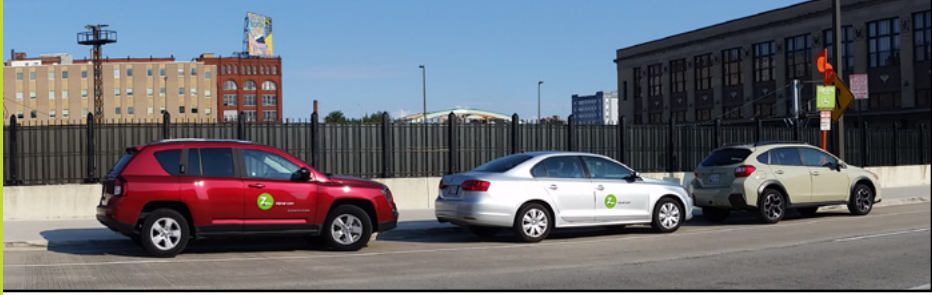
A handwritten signature in black ink, which appears to read "Peter Auchinloss".

Peter Auchinloss
Chair, Board of Directors





IMAGINE,
BALTIMORE,
A PLACE WHERE
PARKING
REALLY WORKS.



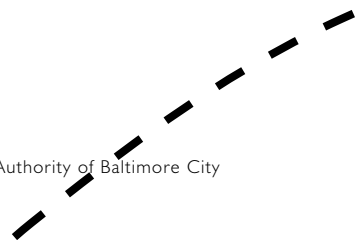
City living brings with it many opportunities and joys, but also certain challenges. Parking is sometimes one of the challenges. It takes lots of tools working together to get things right for Baltimore's residents, commuters and visitors. I invite you to learn more about how the Parking Authority works to make parking easier, and keeps these "parking gears" running like a well oiled machine.

Mayor Stephanie Rawlings-Blake
Mayor, Baltimore City



“Good parking management encourages on-street parking for short periods of time and off-street for longer amounts of time.”

Dr. Donald Shoup,
Distinguished Professor of Urban Planning, UCLA





PARKING AUTHORITY OF BALTIMORE CITY BOARD OF DIRECTORS



Pictured above (left to right): Sophie Dagenais, Director, The Annie E. Casey Foundation; Councilwoman Sharon Green Middleton, Board Secretary, Baltimore City Council, District 6; Peter E. Auchincloss, Board Chair, President, Watermark Corporation; Harry Black, Director of Finance, City of Baltimore; and Pierce J. Flanigan, IV, President, P. Flanigan & Sons Inc.

City living brings with it many opportunities and joys, but also certain challenges. Parking is sometimes one of the challenges. It takes lots of tools working together to get things right for Baltimore's residents, commuters and visitors. I invite you to learn more about how the Parking Authority works to make parking easier, and keeps these "parking gears" running like a well oiled machine.

Mayor Stephanie Rawlings-Blake
Mayor, Baltimore City



“Good parking management encourages on-street parking for short periods of time and off-street for longer amounts of time.”

Dr. Donald Shoup,
Distinguished Professor of Urban Planning, UCLA

PARKING

WHAT'S SO COMPLICATED ABOUT PARKING?

It seems simple. Just create more parking where people need it, right? Lots of people ask us to do just that, but there are problems with building more and more parking.

For one, it's very expensive. To build a new parking garage costs a minimum of \$25,000 per parking space. To build a new 500 space parking garage would cost tax payers at least \$12.5 Million. A garage must generate annual revenues of at least \$2,000 per space in order to cover construction debt payments and operating expenses. If a garage can't generate that much revenue, then the City has to subsidize the garage's operations. Mayor Stephanie Rawlings-Blake set a goal of attracting 10,000 new families in 10 years. We won't get there by increasing the already high tax burden residents face.

Secondly, parking garages aren't always the highest and best use of valuable real estate. People like Baltimore because of its unique neighborhoods filled with great restaurants, pubs and shopping. Parking garages and parking lots break up the continuity of a vibrant, walkable neighborhood. Our mission is to find, create and implement parking solutions, but we must protect what makes Baltimore a great city while we do it.

SO HOW DO WE DO THAT?



HOW
DO
WE
GET
THERE?

PARKING | 01

WHAT'S SO COMPLICATED ABOUT PARKING?

It seems simple. Just create more parking where people need it, right? Lots of people ask us to do just that, but there are problems with building more and more parking.

For one, it's very expensive. To build a new parking garage costs a minimum of \$25,000 per parking space. To build a new 500 space parking garage would cost tax payers at least \$12.5 Million. A garage must generate annual revenues of at least \$2,000 per space in order to cover construction debt payments and operating expenses. If a garage can't generate that much revenue, then the City has to subsidize the garage's operations. Mayor Stephanie Rawlings-Blake set a goal of attracting 10,000 new families in 10 years. We won't get there by increasing the already high tax burden residents face.

Secondly, parking garages aren't always the highest and best use of valuable real estate. People like Baltimore because of its unique neighborhoods filled with great restaurants, pubs and shopping. Parking garages and parking lots break up the continuity of a vibrant, walkable neighborhood. Our mission is to find, create and implement parking solutions, but we must protect what makes Baltimore a great city while we do it.

SO HOW DO WE DO THAT?



We want to manage parking only when & where it is needed.



Tools for Managing Parking

SHORT-TERM PARKING MANAGEMENT TOOLS

Goal – One or two on-street spaces available per block.

Why? When drivers can easily find an on-street space, they are happier. They also spend less time circling the block, which reduces congestion, emissions and fuel consumption. It also strengthens local businesses and attractions by quickly and conveniently providing customers and visitors a place to park.

How do we get there?

- Set appropriate hours of operation and duration limits of metered spaces
- Set appropriate parking meter rates
 - Relatively cheap for short-term stays
 - More expensive than off-street for long-term stays
- Make meters easy to use and easy to pay
- Reliable enforcement of duration limits and parking violations
 - The Department of Transportation oversees parking enforcement



One problem we have faced in reaching our goal is the large number of parkers who are abusing a disability parking placard or disability license plates to avoid paying the parking meter. See ProjectSPACE on page 9 to find out more.

How Do We Get There?

ESTABLISHING THE RIGHT PRICE

Our goal isn't to make money, but setting the right price helps us encourage the right behavior. Would you rather pay \$10 or \$16 to park for 8 hours? *The answer is obvious.* Early bird rates are often \$10 at downtown garages, while parking meter rates nearby are \$2 per hour, or \$16 if you “feed the meter” for 8 hours.

LONG-TERM PARKING MANAGEMENT TOOLS

Goal: Long-term parkers park in off-street facilities (garages and lots).

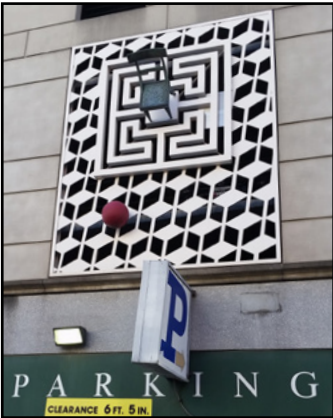
Why? It frees up on-street spaces for short-term parking.

How do we get there?

- A sufficient number of off-street spaces in an area to meet demand. They do not need to be built or managed by the City.
- These facilities must be clean, safe, easy to use and cheaper than on-street spaces for long-term stays.

There are hundreds of garages and lots in Baltimore, which park tens of thousands of cars every day. This keeps on-street spaces available for short-term parkers. These facilities are often near large employers and institutions. Only 20% of downtown garages are City-owned.

The revenues earned from City-owned garages flow to the City’s General Fund (after parking revenue bond debt service payments). So when you park at a City-owned garage, you are helping Baltimore provide necessary city services.

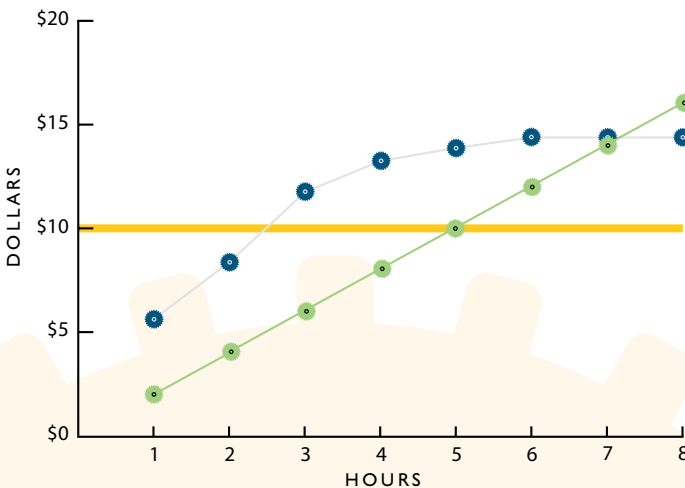


How Do We Get There?

INCREASE OR OPTIMIZE THE USE OF OFF-STREET PARKING

One of the Parking Authority’s goals is to maximize the utilization of City-owned garages and lots. Increase in demand sometimes warrants new parking garages or lots to be built. The City doesn’t have to build them, but may do so when there is no interest from the private sector. Shared parking helps make existing spaces go farther. When parking garages or lots make spaces available to visitors, residents or valet parking operators during the evenings and weekends, additional demand can be met.

When Parking Meter Rates Are Too Low Long-Term Parkers Have Incentive to Park On-Street.



“What’s the use of super-cheap metered parking in front of my store when my customers can never find a space to park there?”

— Store-owner on North Charles Street

- On-street metered parking rate
- Off-street parking average
- Off-street Early Bird rate



THE PARKING AUTHORITY WORKS TO MAKE PARKING EASIER.



RESIDENTIAL PARKING MANAGEMENT TOOLS

Goal: Reduce competition from non-residents for on-street parking on residential blocks.

Why?

- Quality of life issue for residents
- Attract and retain new residents

How do we get there?

- Create Residential Permit Parking (RPP) programs for areas where non-residents park on-street for long periods of time
- Effective and reliable parking enforcement

Baltimore’s neighborhoods are often a mix of commercial and residential. Employees sometimes have to pay for parking at work sites close to residential areas. To avoid these costs, they sometimes hunt for free parking in the neighborhood. This can create parking problems for residents. To discourage this, RPP areas can be established. Only cars with permits can park for longer than posted time limits. Baltimore has 46 areas with RPP.

Oakenshawe was the first Baltimore neighborhood to get RPP. Located just north of institutions with large numbers of employees and students, Oakenshawe streets were tempting for non-residents. The Oakenshawe RPP program allows residents there to more easily find a place to park near their homes.

How Do We Get There?

GREAT CUSTOMER SERVICE

Providing great customer service makes renewing permits easy and enjoyable. The courteous and professional customer service representatives, along with the comfortable customer service area at Parking Authority offices, make getting RPP permits a pleasant experience. We also support community RPP permit pickups so many residents don’t have to come to the office to obtain their new permits.



“This program helps alleviate some of the stress of finding a parking space when I come home at the end of the day. Without it, we’d be competing with hundreds of non-residents for the limited number of on-street spaces in our neighborhood.”

— Oakenshawe resident Mark Counselman



RESIDENTIAL PARKING MANAGEMENT TOOLS

Goal: Reduce competition from non-residents for on-street parking on residential blocks.

Why?

- Quality of life issue for residents
- Attract and retain new residents

How do we get there?

- Create Residential Permit Parking (RPP) programs for areas where non-residents park on-street for long periods of time
- Effective and reliable parking enforcement

Baltimore’s neighborhoods are often a mix of commercial and residential. Employees sometimes have to pay for parking at work sites close to residential areas. To avoid these costs, they sometimes hunt for free parking in the neighborhood. This can create parking problems for residents. To discourage this, RPP areas can be established. Only cars with permits can park for longer than posted time limits. Baltimore has 46 areas with RPP.

Oakenshawe was the first Baltimore neighborhood to get RPP. Located just north of institutions with large numbers of employees and students, Oakenshawe streets were tempting for non-residents. The Oakenshawe RPP program allows residents there to more easily find a place to park near their homes.

How Do We Get There?

GREAT CUSTOMER SERVICE

Providing great customer service makes renewing permits easy and enjoyable. The courteous and professional customer service representatives, along with the comfortable customer service area at Parking Authority offices, make getting RPP permits a pleasant experience. We also support community RPP permit pickups so many residents don’t have to come to the office to obtain their new permits.

PARKING DEMAND MANAGEMENT TOOLS

Goal: Mobility options exist to support a car-free (or car-fewer) existence.

Why? Managing and reducing parking demand means current parking supply goes further.

How do we get there? By promoting and cultivating mobility options:

- Transit (including Charm City Circulator)
- Bicycling
- Walking
- Car sharing (like Zipcar)

Car sharing reduces the amount of cars competing for parking. One car sharing vehicle (like a Zipcar) can remove about 15 personally owned vehicles. Since introducing Zipcar to Baltimore four years ago, we have helped thousands of Baltimore residents get rid of (or not purchase) a car. **Every year Zipcar asks Baltimore members about their car ownership, and this year’s results show that about 3,000 vehicles have been reduced from city streets. If the City built a garage (or garages) to park all those cars, it would have spent \$75 Million!**

Providing Bike Parking also helps reduce the number of cars we need to park. Baltimore launched its second on-street bike parking corral in Harbor East outside the Zipcar Office in June of 2014. Instead of one car, the same space now parks 14 bicycles.

For those who want to park their bike in a place that’s more secure and out of the elements, the Lexington Street Garage at 510 E. Lexington Street has room for 50 bicycles. Monthly contract holders have access to the secure bicycle facility, a fix-it station to pump up flat tires and two free car parks per month.

How Do We Get There?

REDUCE PARKING DEMAND

By encouraging the use of alternative transportation, more people can live with fewer cars, improving the parking situation for those who do drive. That’s why we support Zipcar, the Charm City Circulator, bicycling and transit.

One Zipcar eliminates
15 cars from the road.





WE WANT
TO MAKE IT
EASIER FOR
YOU TO
AVOID
GETTING A
PARKING
TICKET.

PARKING ENFORCEMENT

Goal: Few vehicles are ticketed, but a high percentage of parking violations are ticketed.

Why? We want people to observe parking restrictions because that is what makes the system work. If motorists are confident that they will get a ticket when they violate the law, they won't risk it.

How do we get there?

- Effective, comprehensive and reliable enforcement
- Clear parking restrictions and signs
- Parking fine rates that truly discourage violations

Although the Department of Transportation oversees parking enforcement, the Parking Authority works closely with them to make sure this parking system works as it should.

How Do We Get There?

EASY TO USE METER TECHNOLOGY

Most people want to comply with parking rules and will abide by them if we make it easy for them to understand parking restrictions and to pay for parking. We are committed to using new parking technologies that will continue to make it easier to pay and avoid parking citations.

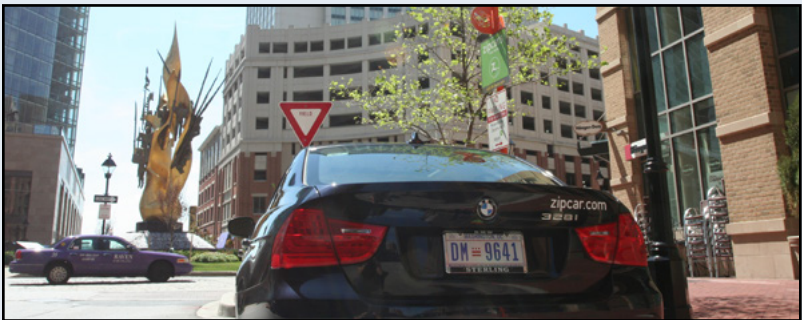
SIGNS OF SUCCESS

How do we know if we are on the right track?

- Parking meters are well utilized with a high percentage of parkers paying the meters.
- One or two on-street spaces are available on commercial blocks, even during periods of high demand.
- A high percentage of parking violations are ticketed but a low number of citations are issued.
- High off-street parking facility usage.
- High satisfaction with Residential Permit Parking program.
- More residents and businesses are car “free” or car “light” (1 or 2 cars instead of 2 or 3).

When it all works well together:

What is now Harbor East used to be an industrial area and row houses. There was no need to manage the on-street parking. Now the area is filled with shops, restaurants, offices and condos. When the area was being redeveloped in 2005, the City built the Fleet & Eden Garage at 501 S. Eden Street, added EZ Park Meters and created Residential Permit parking in the surrounding neighborhoods. The Charm City Circulator now runs through the area, Zipcars can be found on-street, and on-street bike parking is available.



PARKING ENFORCEMENT

Goal: Few vehicles are ticketed, but a high percentage of parking violations are ticketed.

Why? We want people to observe parking restrictions because that is what makes the system work. If motorists are confident that they will get a ticket when they violate the law, they won't risk it.

How do we get there?

- Effective, comprehensive and reliable enforcement
- Clear parking restrictions and signs
- Parking fine rates that truly discourage violations

Although the Department of Transportation oversees parking enforcement, the Parking Authority works closely with them to make sure this parking system works as it should.

How Do We Get There?
EASY TO USE METER TECHNOLOGY

Most people want to comply with parking rules and will abide by them if we make it easy for them to understand parking restrictions and to pay for parking. We are committed to using new parking technologies that will continue to make it easier to pay and avoid parking citations.

SIGNS OF SUCCESS

How do we know if we are on the right track?

- Parking meters are well utilized with a high percentage of parkers paying the meters.
- One or two on-street spaces are available on commercial blocks, even during periods of high demand.
- A high percentage of parking violations are ticketed but a low number of citations are issued.
- High off-street parking facility usage.
- High satisfaction with Residential Permit Parking program.
- More residents and businesses are car “free” or car “light” (1 or 2 cars instead of 2 or 3).

PROJECT SPACE

MORE SPACE FOR ALL

Parking Authority Executive Director, Pete Little, walks to City Hall for meetings at least once a week. When Pete walks, he looks at parking. He notices things like parked cars with disability placards. He counts these cars on his walks. Before July of 2014, he would count at least 40 cars parked with disability placards on the way to City Hall. Many of the disability placards were being used/abused by people without disabilities in order to park for free. Now, he sees less than 10. Why the change? ProjectSPACE launched and has removed the incentive to abuse disability placards.

The Americans with Disabilities Act (ADA), passed in 1990, required equal access to services. At that time, parking meters looked exactly the

same as they did in 1940. These old meters still used a mechanical crank knob that required users to insert a coin and twist their arm nearly 360° to pay the meter. This crank turn motion was something that people with disabilities couldn't easily do. The ADA determined the parking meters inaccessible, so the City adopted a policy that exempted those with disability placards from paying the meter.

The free parking made the placards valuable and people with disabilities became the victims of theft. Hundreds of parkers abused the disability placards and parked on-street all day rather than pay for off-street parking. This left virtually no parking spaces available on-street.

We removed the incentive to abuse disability placards this year by upgrading our existing EZ Park meters to meet the latest ADA requirements, reserving 200 parking spaces just for people with disabilities and requiring payment from all, even those with a disability placard or license plate.

Now when Pete walks to City Hall he sees more available parking spaces



**“PROJECT
SPACE
MEANS I HAVE
THE EQUAL
OPPORTUNITY,
JUST LIKE AN
ABLE BODIED
PERSON,
TO FIND A
PARKING
SPACE WHERE
I NEED
TO GO.”**

Nollie Wood, Jr., PhD.,
Executive Director,
Mayor's Office of Disabilities



PROJECT SPACE

MORE SPACE FOR ALL

Parking Authority Executive Director, Pete Little, walks to City Hall for meetings at least once a week. When Pete walks, he looks at parking. He notices things like parked cars with disability placards. He counts these cars on his walks. Before July of 2014, he would count at least 40 cars parked with disability placards on the way to City Hall. Many of the disability placards were being used/abused by people without disabilities in order to park for free. Now, he sees less than 10. Why the change? ProjectSPACE launched and has removed the incentive to abuse disability placards.

The Americans with Disabilities Act (ADA), passed in 1990, required equal access to services. At that time, parking meters looked exactly the

same as they did in 1940. These old meters still used a mechanical crank knob that required users to insert a coin and twist their arm nearly 360° to pay the meter. This crank turn motion was something that people with disabilities couldn't easily do. The ADA determined the parking meters inaccessible, so the City adopted a policy that exempted those with disability placards from paying the meter.

The free parking made the placards valuable and people with disabilities became the victims of theft. Hundreds of parkers abused the disability placards and parked on-street all day rather than pay for off-street parking. This left virtually no parking spaces available on-street.

We removed the incentive to abuse disability placards this year by upgrading our existing EZ Park meters to meet the latest ADA requirements, reserving 200 parking spaces just for people with disabilities and requiring payment from all, even those with a disability placard or license plate.

Now when Pete walks to City Hall he sees more available parking spaces

and fewer cars parked with disability placards. When he does see a car with a placard, they've paid the parking meter. He got a call from a woman with a disability who wasn't happy with having to pay now. Pete asked her where she previously parked when she came downtown. She said, "I could never find an on-street parking space so I ended up parking in a garage!" "How much did you pay there?" Pete asked. "Ten dollars for two hours! It's a rip off!" she replied. Pete noted, "now, you'll be able to find a parking space on-street, closer to your destination and you'll only pay four dollars."

"It's been easier for our customers to find parking."

— Charlene Alvarez,
General Manager of Pot Belly Sandwich

"I don't mind paying for parking if I will be able to find an available parking space."

— Ruth Ann Wynegar
Commissioner, Mayor's
Commission on Disabilities



Toni Yager demonstrates how easy it is to use a parking meter during the ProjectSPACE press conference on July 10, 2014. Supporters Charles Brown and Dwight Daughton look on.



BALTIMORE CITY PARKING AUTHORITY, INC.

Financial Statements

June 30, 2014

CONTENTS

Independent Auditors' Report	11-12
Management's Discussion and Analysis	13-16
Governmental Fund Balance Sheet/ Statement of Net Position	17
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	17
Notes to Financial Statements	18-20
Required Supplementary Information: Budgetary Comparison Schedule – General Fund	21

The following financial statements reflect the administrative expenses of the Parking Authority. The statements do not reflect the tens of millions of dollars in revenues collected by the Parking Authority on behalf of the City through off-street parking facilities operations, parking meters operations, and residential permit parking administration, nor do they reflect some of the costs associated with those programs. Those revenues and expenses are accounted for through the City's accounting systems.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Baltimore City Parking Authority, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and fund information of the Baltimore City Parking Authority, Inc. (Authority) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information of Baltimore City Parking Authority, Inc. as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis and budgetary comparison information on Pages 13 through 16 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.



ELLIN & TUCKER, CHARTERED

Certified Public Accountants

Baltimore, Maryland

November 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. Notes to Financial Statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, primarily a Budgetary Comparison Schedule.

The Governmental Fund Balance Sheet/Statement of Net Position is presented in reconciliation format and shows the difference between the assets and liabilities of the Authority as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Balance Sheet) and assets and liabilities as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Net Position). For the Authority, the difference related primarily to capital assets which are reflected as assets on the Statement of Net Position but are excluded from general fund assets.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is also presented in reconciliation format and shows the differences between revenues and expenditures as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) and revenues and expenses as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Activities). The primary differences relate to the treatment of capital asset purchases. For governmental fund accounting purposes, all cash payments for capital asset acquisitions are reflected as expenditures and deducted from revenues in calculating the net fund activity for the year. Under accounting principles generally accepted in the United States of America, capital asset acquisitions are not reflected in the Statement of Activities as a deduction from revenues but are reflected as increases to assets or reductions of liabilities.

Generally, fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources segregated by specific activities or objectives. The Authority's financial activity is classified into one fund—the general fund. The general fund accounts for capital asset acquisitions as expenditures when acquired, rather than as capital assets as a result of the use of the current financial resources measurement focus in accordance with generally accepted accounting principles.

The Notes to the Financial Statements provide additional information needed for a full understanding of the basic financial statements.

Required supplementary information consists of a comparison of actual financial activity to budgeted amounts to demonstrate compliance with the budget.

Analysis of Net Position and Changes in Net Position

The following is a comparison summary of the Authority's net position and changes in net position for the years ended June 30, 2014 and 2013:

	2014	2013
Assets:		
Current and Other Assets	\$2,795,169	\$2,526,685
Capital Assets	364,013	192,644
Total Assets	\$3,159,182	\$2,719,329
Liabilities:		
Current Liabilities	\$ 697,332	\$ 708,559
Net Position:		
Invested in Capital Assets	\$ 364,013	\$ 192,644
Unrestricted	2,097,837	1,818,126
Total Net Position	\$2,461,850	\$2,010,770
Changes in Net Position:		
Program Revenues:		
Baltimore City Grant	\$5,291,686	\$6,492,093
Other	809,851	124,431
Total Revenues	6,101,537	6,616,524
Expenses:		
Administration of Parking Facilities	5,594,873	5,075,571
Capital Outlay/Depreciation	55,584	49,426
Total Expenses	5,650,457	5,124,997
Increase in Net Position	451,080	1,491,527
Net Position – Beginning of Year	2,010,770	519,243
Net Position – End of Year	\$2,461,850	\$2,010,770

For the year ended June 30, 2014, the Authority received substantially all of its funding from an annual grant from the City of Baltimore. The purpose of the grant was to finance the administration of the City's parking operations through the Authority and cover all of the Authority's personnel costs, capital asset requirements, and other operating costs. The grant for the year ended June 30, 2014 was \$5,291,686. Operating expenses for the year ended June 30, 2014 totaled \$5,650,457 resulting in an increase in net position of approximately \$450,000. Total operating expenses increased approximately \$527,000 during the year ended June 30, 2014 as compared to the year ended June 30, 2013. The increase was primarily a result of an increase in salaries and employee benefits relating to the hiring of additional employees throughout the year and an increase in bank and armored car fees relating to increased credit card usage on meters and the fees associated with their usage.

During the year ended June 30, 2014, the Authority purchased capital assets of approximately \$227,000. At June 30, 2014, the Authority had liabilities totaling \$697,332. These liabilities are expected to be funded through existing cash balances.

BUDGET ANALYSIS

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2014 (FY 2014) is presented on Page 21. The most significant budget variations included salaries and benefits and bank and armored car service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$446,000 less than expected. The decrease was due to hiring fewer employees than anticipated for the new Valet Regulations Program. In addition, the budget included additional funds for employer contributions to the employee benefit plan; however, there were fewer participants in the plan than anticipated.

Bank and armored car service fees, which include credit card fees, were approximately \$93,000 more than expected. This is due to increases in installed meters, credit card usage at meters and credit card fees as a result of a change in federal regulations, which allowed for increased fees on credit card transactions.

The most significant variance between the original and final budget was for expenditures for telephones, utilities, and internet. Telephones, utilities, and internet expenditures final budgeted amounts increased by approximately \$24,000 compared to the original budgeted amounts. These additional funds were utilized for services provided to the B&O parking lot.

Fiscal Year Ending June 30, 2015

The budget for the fiscal year ending June 30, 2015 (FY 2015) has been submitted to the Baltimore City Board of Estimates in the amount of \$5,591,258 which represents an overall increase in the funding level compared to the fiscal year ended June 30, 2014 in the amount of \$109,633. The total grant appropriation includes \$2,547,376 for the base administrative grant, \$2,850,144 for the Meter Program Administrative grant, and \$193,738 for the Valet Regulations Program. The Authority has been granted supplemental funding for the Bus

Facility Parking Program in the amount of \$117,153. The total available funds for FY 2015 are \$6,538,653, including carryover funds from the fiscal year ended June 30, 2014.

This grant will pay salary, benefits, and other costs to support the administrative functions of the Authority. FY 2014 is the third year of consolidation of parking meter programs for both single and multi-space meters, which will now be referred to as the EZPark Meter Program. There are currently 887 multi-space meters and 5,063 single space meters of which 1,727 are single space smart meters and 3,336 mechanical single space meters as of June 30, 2014. During FY 2014, the Authority entered into Phase I of the EZPark Single Space Smart Meter Upgrade, including the installation of 1,727 single space smart meters in the Central Business District.

Over the next several years, the Authority anticipates the installation of approximately 400 additional new multi-space meters and 3,000 single space smart meters. The FY 2015 budget for the meter program includes the cost for the single and multi-space meter administration. The budget combines both into a single meter administration program budget.

The Authority upgraded the financial software used for facility accounting. The financial system is now generating reports electronically containing current financial information by program. Implementation of software to manage the revenue process and coordinate the electronic transfer of data from the billing system to the facility access control system will continue in FY 2015.

During FY 2015, the Authority anticipates implementation of PARIS-On-The-Web, which will allow customers to manage their parking accounts online, via the Authority's website. The Authority issued a Request for Proposal for implementation of the online bill payment system in FY 2015. Contract negotiations are in process, and the contract is anticipated to be approved in December 2014 with implementation in the winter of FY 2015. PARIS (Parker Accounts Receivable Information System) is a custom built, full-featured billing and accounts receivables system for monthly parking management. The Authority currently uses the PARIS program to keep accurate records of active parkers and maintain a history of client accounts. PARIS calculates the rates, records the number of parkers, tracks restrictions, and retains other detailed information for monthly customers. Using PARIS, the Authority generates monthly invoices for active customer accounts. Invoices are generated through the system with the option of printing and mailing or delivering via email. PARIS supports a variety of credit card settlement agents allowing for the Authority to establish recurring ACH payments for customers. The Authority is looking to provide our customers with a more interactive experience using PARIS-On-The-Web, a feature of the PARIS program. PARIS-On-The-Web will allow existing customers to make basic edits to accounts, view account history, make monthly payments, and completely manage accounts online. PARIS-on-the-Web allows new customers to locate parking facilities, view rates, complete and submit applications, etc., and it will allow Authority's staff to better manage monthly routine accounting maintenance. Customers will be entering their own credit card information in an encrypted PCI tokenization credit card security system, which will decrease the risk of PCI non-compliance by having cardholder information in the files. When completed, it will allow customers to pay bills via the web and provide some account controls for contract customers via a web connection.

The management team of the Authority is committed to introducing new technology and other methods to increase revenues for the City and providing outstanding customer service to all City patrons.

Governmental Fund Balance Sheet / Statement of Net Position

June 30, 2014

	General Fund	Adjustments (Note 4)	Statement of Net Position
Assets:			
Cash and Cash Equivalents	\$ 2,328,726	\$ -	\$ 2,328,726
Accounts Receivable	466,443	-	466,443
Capital Assets, Net (Note 2)	-	364,013	364,013
Total Assets	<u>\$ 2,795,169</u>	<u>\$ 364,013</u>	<u>\$ 3,159,182</u>
Liabilities:			
Accounts Payable	\$ 362,087	\$ -	\$ 362,087
Due to Baltimore City	66,979	-	66,979
Accrued Expenses	268,266	-	268,266
Total Liabilities	<u>697,332</u>	<u>-</u>	<u>697,332</u>
Commitments (Note 3)			
Fund Balances:			
General Fund Balance	2,097,837	(2,097,837)	-
Total Liabilities and Fund Balances	<u>\$ 2,795,169</u>		
Net Position:			
Invested in Capital Assets		364,013	364,013
Unrestricted		2,097,837	2,097,837
Total Net Position		<u>2,461,850</u>	<u>2,461,850</u>
Total Liabilities and Net Position		<u>\$ 364,013</u>	<u>\$ 3,159,182</u>

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

For the Year Ended June 30, 2014

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$ 5,594,873	\$ -	\$ 5,594,873
Capital Outlay/Depreciation	226,953	(171,369)	55,584
Total Expenditures/Expenses	<u>5,821,826</u>	<u>(171,369)</u>	<u>5,650,457</u>
Program Revenue:			
Grant Revenue - Baltimore City	5,291,686	-	5,291,686
Other Income	809,851	-	809,851
Total Revenue	<u>6,101,537</u>	<u>-</u>	<u>6,101,537</u>
Excess (Deficit) of Revenue over Expenditures	279,711	(279,711)	-
Change in Net Position		<u><u>\$ (451,080)</u></u>	451,080
Fund Balance/Net Position - Beginning of Year	<u>1,818,126</u>		<u>2,010,770</u>
Fund Balance/Net Position - End of Year	<u>\$ 2,097,837</u>		<u>\$ 2,461,850</u>

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Baltimore City Parking Authority, Inc. (Authority) was created in 2000 by Baltimore City Ordinance 2000-71. The Authority's purpose is to assist Baltimore City (City) in the planning, development, management, and administration of its parking assets. The Authority does not own any parking facilities or other real property. The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority.

The Board of Directors of the Authority consists of five members, four of which are appointed by the Mayor of Baltimore City and confirmed by the City Council, and one who is a member of the City Council appointed by the City Council President.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority follows Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB 34) and GASB Statement No. 38, "Certain Financial Statement Note Disclosures" (GASB 38). GASB 34 requires net position be classified as restricted, unrestricted, or invested in capital assets and requires presentation of a Management's Discussion and Analysis section to introduce the basic financial statements. GASB 34 and GASB 38 require certain expanded footnote disclosures.

The Authority's main source of revenue is a single grant from the City; therefore, all assets, liabilities, revenues, and expenses/expenditures are accounted for in a governmental fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain other obligations, are recorded only when payment is due.

The general fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

Amounts reported as program revenues primarily include the operating grant from the City.

Budgetary Information

The annual budget of the Authority is subject to approval by the City's Board of Estimates. The budget serves as the basis for determining the grant from the City. Budgetary data is presented as required supplementary information for the general fund. The budget

is adopted on a basis consistent with generally accepted accounting principles for the governmental fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent Events

The Authority has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 25, 2014, the date the financial statements were available to be issued.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Authority maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Capital Assets

Capital assets are recorded at cost and depreciated using the straight-line method over the useful lives, which range from 3 to 10 years, of the assets. It is the Authority's policy to capitalize capital assets over \$500. Lesser amounts are expensed.

Compensated Absences

The Authority accrues a liability for compensated absences which consists primarily of accumulated vacation leave. The liability includes those amounts expected to be paid upon termination of employment or through paid leave time.

2. CAPITAL ASSETS:

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
Capital Assets:				
Computer Equipment	\$ 480,411	\$ 223,211	\$ -	\$ 703,622
Office Equipment	72,591	838	-	73,429
Furniture and Fixtures	103,623	2,904	-	106,527
Leasehold Improvements	60,744	-	-	60,744
	<u>717,369</u>	<u>226,953</u>	<u>-</u>	<u>944,322</u>
Less: Accumulated Depreciation:				
Computer Equipment	358,748	32,555	-	391,303
Office Equipment	61,618	2,690	-	64,308
Furniture and Fixtures	57,014	8,212	-	65,226
Leasehold Improvements	47,345	12,127	-	59,472
	<u>524,725</u>	<u>55,584</u>	<u>-</u>	<u>580,309</u>
Net Capital Assets	<u>\$ 192,644</u>	<u>\$ 171,369</u>	<u>\$ -</u>	<u>\$ 364,013</u>

3. COMMITMENTS

The Authority leases office space from the City under various leases which expire through June 2016. The Authority leases office equipment under lease agreements which expire through July 2017. Rent expense recorded for the year ended June 30, 2014 was \$108,961.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2015	\$ 30,603
	2016	30,603
	2017	5,794

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS FINANCIAL STATEMENTS AND GAAP FINANCIAL STATEMENTS

Statement of Net Position and Governmental Fund Balance Sheet

The fund balance of the general fund differs from net position reported in the Statement of Net Position. The difference results primarily from the treatment of capital assets. When capital assets are used in governmental activities, the costs of the assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those assets among the assets of the Authority.

Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

As noted above, outlays for capital assets to be used in governmental activities are reported as expenditures in the general fund; however, those expenditures are reported as assets, not expenses, in the Statement of Activities.

5. RETIREMENT PLAN

The Authority maintains a retirement plan covering substantially all employees. On January 1, 2012, the Authority amended its retirement plan to allow for discretionary matching contributions. Amounts to be contributed to the plan are determined by the Board of Directors. The Authority made contributions for the years ended June 30, 2014 and 2013 in the amounts of \$17,665 and \$20,015, respectively.

Budgetary Comparison Schedule — General Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 5,481,625	\$ 6,389,350	\$ 5,291,686	\$ (1,097,664)
Other	-	-	809,851	809,851
Total Revenue	\$ 5,481,625	\$ 6,389,350	\$ 6,101,537	\$ (287,813)
Expenditures:				
Salaries and Benefits	\$ 3,177,200	\$ 3,162,800	\$ 2,717,002	\$ 445,798
Telephones/Utilities/Internet	46,100	70,100	56,655	13,445
Vehicles/Travel	87,600	89,800	30,644	59,156
Business Machine Rental	14,900	14,900	15,265	(365)
Consultants	54,000	56,400	48,096	8,304
Equipment Warranty	275,800	275,800	277,587	(1,787)
Software	722,800	722,800	692,436	30,364
Legal	48,500	48,500	-	48,500
Printing and Copying	26,700	26,700	28,000	(1,300)
Bank and Armored Car Service Fees	1,132,800	1,142,800	1,235,518	(92,718)
Computer Maintenance	42,000	62,000	63,655	(1,655)
Other Services	225,800	240,800	274,080	(33,280)
Maintenance and Supplies	181,400	204,700	165,156	39,544
Equipment Acquisitions	105,100	105,100	67,932	37,168
Rent	117,900	117,900	108,961	8,939
Advertising	1,500	1,500	7,000	(5,500)
Dues/Subscriptions/Training	25,700	46,700	33,839	12,861
Total Expenditures	\$ 6,285,800	\$ 6,389,300	5,821,826	\$ 567,474
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP:				
Depreciation Expense (Net of Disposals)				
Not Included in Budget			55,584	
Capital Asset Acquisitions Included in Expenses			(226,953)	
Total Expenses			\$ 5,650,457	



PARKING
OF BALTIMORE CITY
AUTHORITY

200 W. Lombard Street | Baltimore, MD 21201

Phone: 443.573.2800 | Fax: 410.685.1557

www.ci.baltimore.md.us/government/parking



ParkingAuthBC



/ParkingAuthBC

